

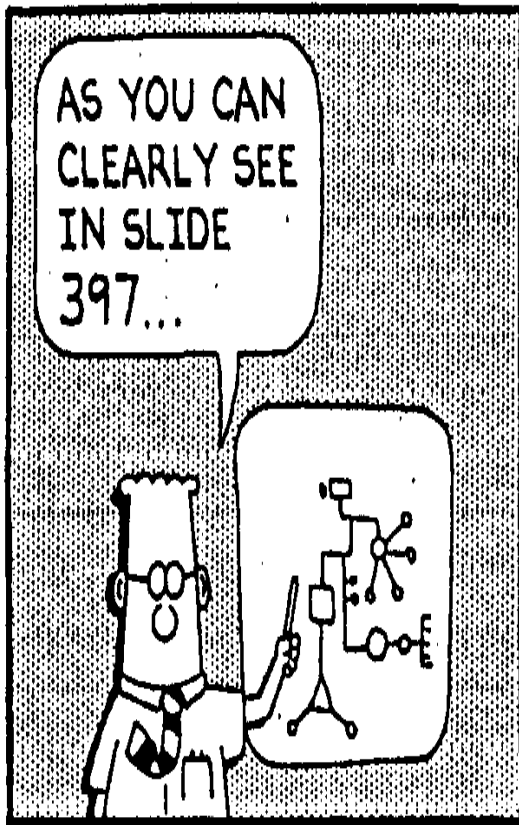


Using Past Performance Information to Make Best Value Award Decisions

Oct 00

Overview

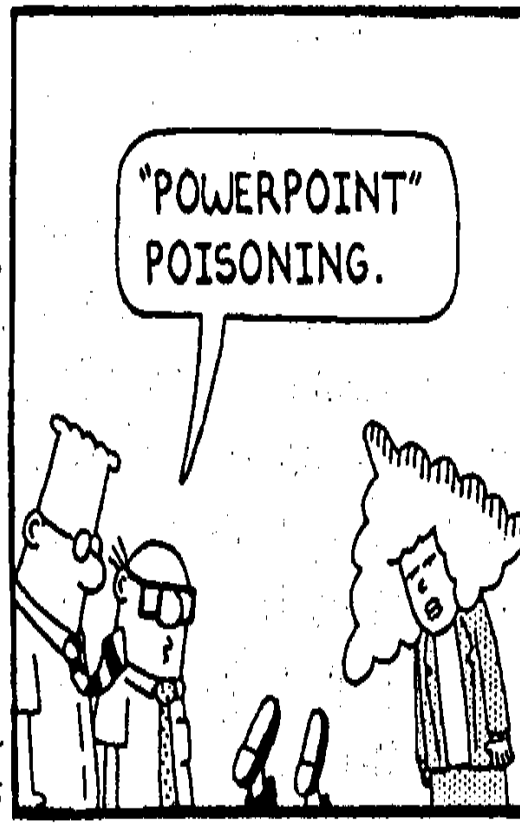
- Background
- Past Performance Basics
- Past Performance Importance
- Obtaining Past Performance Information
- Developing Questionnaires
- Evaluating Past Performance
- Documentation
- Exercises



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Background

- Shift from Invitation for Bid (IFB) and Lowest Priced Technically Acceptable (LPTA) to Performance-Price Trade-off (PPT) and Full Trade-off (Source Selection)
 - Increased emphasis on using past performance to make “best value” decisions
 - Evaluation of Past Performance involves ***much*** more than making a responsibility determination
- FAR 15.305 requires past performance be considered in making selection
- Approach to evaluation of Past Performance in PPT is same as in Source Selection

Past Performance: From IFB to Contracting by Negotiation

Sealed Bid

Environment:

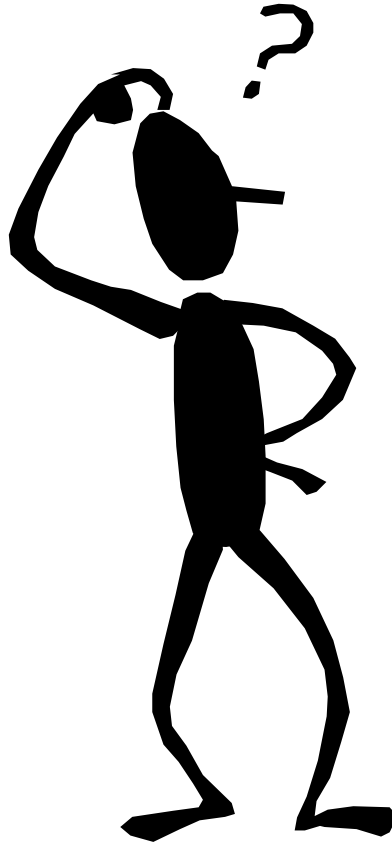
- Lowest priced passing bidder wins
 - Relevance of past performance doesn't matter
 - Quality above a passing grade doesn't count
- Don't talk to the bidders about bids

Negotiated

Environment:

- Trade-off of price and other factors leads to selection
 - Relevancy of past work critical
 - Quality of work counts
- Robust and Meaningful Discussions about offers

Past Performance Basics



Responsibility and Past Performance -- What is the difference?

- FAR Part 9 is a pass/fail test of work accomplished regardless of the nature of the work or its relevance
- FAR Part 15 analyzes work accomplished to make a confidence determination of expected future performance
 - based on not just a pass/fail but the level of quality
 - tied not only to quality but relevancy of the past effort to future work

Responsibility and Past Performance -- What is the difference?

- FAR 15.305(a)(2)
 - Past performance information is one indicator of an offeror's ability to perform the contract successfully. The currency and relevance of the information, source of the information, context of the data, and general trends in contractor's performance shall be considered. *This comparative assessment of past performance information is separate from the responsibility determination under FAR 9.1*

Responsibility Determination

- FAR Part 9 Requirements (note how they are pass/fail)
 - Having adequate financial resources or ability to obtain them to perform the contract
 - Ability to comply with the proposed/required performance schedule - focuses on requirements of instant acquisition
 - Have a satisfactory performance rating (FAR 42.15)
 - Have satisfactory record of integrity and business ethics
 - Have necessary organization, experience, accounting and operational controls and technical skills or the ability to obtain them
 - Have necessary production, construction, and technical equipment and facilities or the ability to obtain them
 - Be otherwise qualified and eligible to receive an award under applicable laws and regulations

Responsibility and Past Performance -- Again, what is the difference?

- FAR 9 is a pass/fail determination focusing on preventing contract awards to incapable performers
- FAR Part 15 is a focused analysis of relevant information to allow trade-offs to select not just a good performer but the best

Experience vs. Past Performance

- **Experience** is the measure of whether or not an offeror has performed similar work in the past
- **Past Performance** reflects how well the offeror performed

Past Performance: The FAR 15 and FAR 42/36 Connection

- FAR 42 and FAR 36 discuss **COLLECTION and DOCUMENTATION** of Past Performance information
- FAR 15 discusses the **USE** of collected Past Performance information in best value acquisition

Past Performance Importance



It Can Tip the Balance.

Past Performance Importance

- Past Performance must be *at least* as important as the most important non-cost factor in source selections conducted in accordance with AFFARS 5315.3
- In a PPT a trade-off decision is made based on Past Performance and Price

View from the AFSPC Vice Commander

1. He will be looking very closely at past performance in any decision we bring to him, and expects a clear coherent analysis.
2. Trying to rely on numerical ratings, averages, percentages, etc., is not a good idea, as important information tends to get lost or obscured.
3. We should tell offerors to submit basic descriptive information on all contracts they consider potentially relevant, within the performance period we decide. We should then determine which of these contracts and any others are most relevant, and conduct an intensive evaluation of those contracts, focusing on functions and issues pertinent to our acquisition.

view from the AFSPC *Vice Commander*

4. We need to define "relevancy" broadly. We will find very few past contracts that exactly match all specific functions, size, etc., of our current requirement. Look for contracts that are generally comparable, not identical, in terms of management or technical challenges; that cover some, not necessarily all, of the critical functions in our requirement. What we are looking for is how well the contractor has performed in contracts that are an indicator, not a duplicate, of our requirement.
5. Difficulty in getting responses, especially from government POCs, to evaluate past performance is no excuse. This is too important. PRAGs (Performance Risk Assessment Groups) and COs need to elevate non-responses to the level necessary to get the information they need. If that requires MAJCOM involvement, that's what we'll do.

view from the AFSPC *Vice Commander*

6. PRAGs must use experienced, senior people who understand the broader definitions of past performance.
7. He wants HQ AFSPC/LGC to be more heavily involved on the front end to make sure we have in place the right people, evaluation approach, RFP language, performance validation, etc., so that when we are ready to make decisions tied to past performance, they are clearly supported.

Evaluation Requires a Special Team



- Experienced, senior people who understand the broader definitions of past performance and relevancy
- In agency level source selection a separate team - the Performance Risk Assessment Group (PRAG) is required - in median source selection separate PRAG optional
- Evaluating past performance takes time, judgment and the importance of thorough analysis cannot be overstated

Confidence Ratings

- Past performance is an evaluation to determine government's level of confidence that the offeror can perform on a future contract based on the offeror's "performance track record"
 - Performance confidence assessment is not limited to how *well* an offeror performed on previous work - **quality** is only one aspect of the evaluation
 - Performance confidence assessment focuses on how RELATED (how **relevant**) past effort is to the upcoming work
 - Performance confidence assessment considers WHEN the past work was accomplished - more recent work is a better indicator of future performance (**recency**)

Past Performance Confidence Evaluation

- **Recency**

- Performance within last 3 years
(FAR 42.1503)

- **Relevancy**

- Does previous work relate to
work under current acquisition?

- **Quality of
Performance**

- Did the offeror do a good job?

**Confiden
ce
Rating**

Obtaining Past Performance Information



Obtaining Past Performance Information (PPI)

- Not limited to questionnaires
- Not limited to references in proposal
 - Offeror won't provide “bad” references
- Includes obtaining PPI about proposed subs and teaming partners
- Use on-line databases (ACASS, CCASS, CPARS, etc.)
- Internet Searches
- Better Business Bureau
- Trade Journals/Newspapers
- Defense Contract Management Agency 22

Databases

- Collection of data to use in assisting teams in making past performance confidence determinations
 - AFMC's Contractors Performance Assessment Reports (CPARS) (Systems, O&M, IT)
 - Army Corps of Engineers' Contract Construction Contractor Appraisal Support System (CCASS) (Construction)
 - Army Corps of Engineers' Architect-Engineer Administration Support System (ACASS) (A&E)
 - Other Automated Systems identified in OFPP Best Practices Guide
 - Local base collection efforts

Accessing Databases: CCASS/ACASS

- These databases are maintained by the Army Corps of Engineers
 - require a password
 - Obtain one by completing the form at:
<http://www/nwp.usace.army.mil/ct/i>
 - If you need performance data for a particular contractor and cannot access the site, call 503-808-4590/4593

Accessing Databases: CPARS

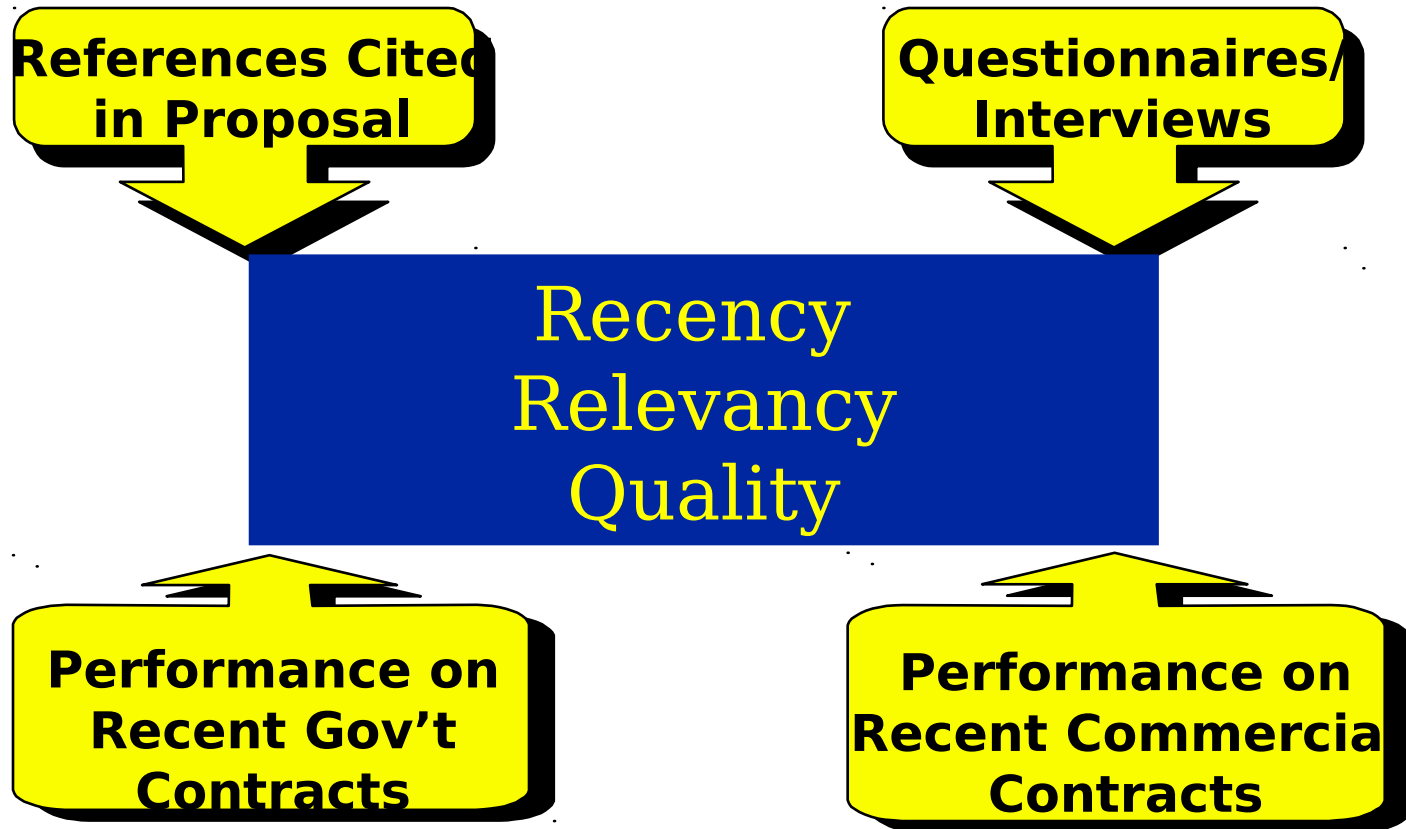
- Maintained by Air Force Materiel Command
- The main website for CPARS is located at Wright Patterson AFB and can be accessed at

<https://www.afmc-mil.wpafb.af.mil/organizations/HQ-AFMC/PK/pkp/pkpa/cpars.htm>

Databases (cont'd)

- Collecting and Documenting Past Performance information is not an option
 - FAR 42.15
 - DFARS 236.201
 - DFARS 236.602
 - OFPP, DoD, AF Policy and Guidance
- Data is only as good as the effort put into documenting the performance – remember this when you document and report past performance

Obtaining Past Performance Information



Getting the Right Amount of Information

- Nature and Extent of Past Performance
Assessment should be carefully tailored to reflect the nature of the requirement in terms of :
 - Complexity
 - Criticality
 - Cost
 - Risks
 - Similarity of requirement to Commercial Marketplace



REFERENCE: AFFARS 5315.305(a)(2)

Tailoring PPI Collection Efforts

- Tailor Number of Projects Evaluated
 - For example, to get a full picture of relevancy and quality for a complex bundled effort involving many subs you will need to evaluate more projects than for a service limited to one functional area
- Tailor what is requested from recency perspective
 - For example past performance of 12 month for service contract for house painting may provide more than enough information to effectively make an assessment
- Tailor depth of research
 - Only research to extent need to make confidence assessment by focusing on most relevant contracts
- Consider cost of conducting evaluation
 - The telephone is a powerful and economic tool - use it
 - Visits to customers should rarely be necessary, especially in the services arena

RFP Language

Section L - Instructions to Offerors

-  - Request specific information from offerors related to instant acquisition
-  - Request recent and relevant past performance
 - Have offeror explain what previous work was
 - Have offeror explain why referenced work is relevant
 - Have offeror provide points of contact for identified contracts
 - Have offeror provide annual assessment reports from government contracts
 - Have offeror identify performance period and dates, contract type, contract value, title and contract number
 - Have offeror identify any corrective actions taken to resolve any performance issues

RFP Language

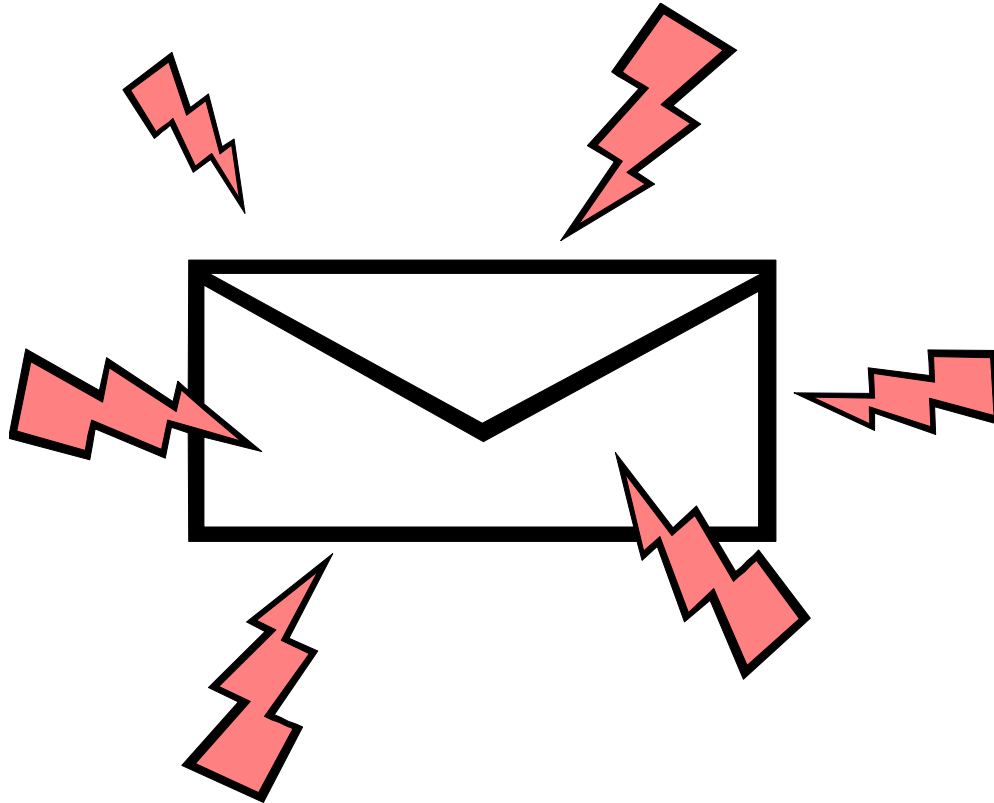
Section M - Evaluation Factors

- Make it clear recency, relevancy and quality will be evaluated
 - Define what these mean for the instant acquisition
- Advise offerors other sources may be used in assigning a confidence rating
 - Other sources may be contacted
 - Other contract information may be used
 - Other information available to government will be used
- Reference definitions of performance confidence found in AFFARS 5315

RFP Tips

- The six-tier confidence assessment ratings in AFFARS 5315 are required for both PPT and Source Selections
- No need to duplicate AFFARS language in RFP if you reference it
- Request Past Performance Information (PPI) prior to remainder of proposal
 - However, offerors are not required to submit proposal information until the RFP closing date
 - Earlier submittal of PPI benefits AF
- Offeror can be asked to mail questionnaires to respondents but can not be expected to make respondents reply
- Focus on obtaining meaningful information about a few relevant projects
 - Tendency is to ask for too much from too many
 - Don't ask for data already available in electronic databases (CPARS/CCASS/ACASS, etc.)

Developing Questionnaires



Developing Questionnaires

- Recency
 - Confirm dates of performance
- Relevancy
 - Did offeror perform *similar* (scope, complexity, etc.) work as required under the instant requirement?
 - Ask specific questions
- Quality
 - Ask questions specific to instant acquisition
 - Include potential problem areas
 - Current/past contractor had problems here
 - Complex tasks

Tips on Developing Questionnaire

- Do not use different questionnaires to collect information about offerors proposing on the same acquisition
- Review existing databases for information on anticipated offerors
 - Focus development of questions to augment data already available in automated and/or local files
- Tie questions back to evaluation criteria and market research
 - Focus on the risk areas identified in acquisition planning which were basis for selection of mission capability subfactors or technical evaluation criteria
- Remember the purpose is to get specific not generic information
- Not all questions have to be tied to scale
 - Short answer questions provide more info
 - Easier to ask the questions you want

Tips on Developing Questionnaires (cont'd)



- Do NOT use numeric ratings in questionnaires
- Use adjectival ratings from annual past performance assessment using the language in DoD guide for collection of past performance
 - Must define rating terms used – one person's definition of satisfactory may be another's definition of very good!
- Do not ask past performance respondents to provide an assessment of future performance confidence
- Requirements/technical personnel must be involved
 - Identify problem areas
 - Draft questions specific to instant acquisition

Poor Questionnaire

1	2	3	4	5
Unsat	Marginal	Sat	Very Good	Exceptional

THE CONTRACTOR:

1. Developed realistic progress schedules. 1 2 3 4 5 N/A
2. Provided experienced managers and supervisors. 1 2 3 4
5 N/A
3. Hired quality subcontractors. Effectively
managed subcontractors. 1 2 3 4 5 N/A

Why It Is Poor

- Uses numerical ratings which should not be used because it tempts evaluators to use averages
- No definitions of the ratings
- Not specific to acquisition
- Provides no opportunity for comment

Good Questionnaire

(Definitions from DoD Guide)

- **Exceptional (E)** Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.
- **Very Good (VG)** Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.
- **Satisfactory (S)** Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
- **Marginal (M)** Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.
- **Unsatisfactory (U)** Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains
- **Unknown (N/A)** Did not observe performance in this area.

Good Questionnaire (cont'd)

1. Performance in use of isotopes in support of
satellite operation testing E VG S M U N/A

Comments: _____

2. Describe the processes the contractor used to ensure the
quality of sampling technique.

3. Performance in the area of computer assurance
and security E VG S M U N/A Comments:

4. How effective was the contractor in responding to security
incidents? _____

Why It Is Good

- Includes definitions of ratings
- Ratings are not numeric
- Asks acquisition specific questions
- Asks short answer questions
- Respondent will have an idea what is important to us
- Provides area for comments

Obtaining PPI Using Questionnaires

- Two approaches
 - Offeror sends questionnaires to references
 - Completed questionnaires are sent to Government POC
 - Government sends questionnaires to references
 - Questionnaires don't have to go to all references
 - Information needs to be sought on the most relevant/recent work
- Questionnaires should be sent to other customers not mentioned in proposal
 - Contact DCMA Administrative Contracting Officers
 - Contact respondents identified in automated systems
- Focus on most recent and relevant projects



Questionnaire Follow-Up

- Initial - Questionnaires not received back
 - Document verbal responses if necessary
 - Fax confirmation of conversation

Note: Government Personnel have an obligation to provide information
- Clarification of Responses Received
 - Obtain more specific information on responses
 - Is work really relevant?
 - What was the basis for the rating assigned?
- This is *not* only a contracting responsibility
 - Requirements personnel must be involved
 - Performance of their requirement is at stake
 - They understand technical performance issues



- Remember: *Elevate as high as needed to get response*

Information from Commercial Sources

- Commercial sources are *not* required to answer our questionnaires or to provide an interview
 - Many companies (even defense contractors) have policies that prohibit disclosure of information about the quality of work of their contractors or employees
 - What should you do?
 - Explain the purpose of the questions
 - Try to get information that will help with relevancy determination even if you can not get information about the quality of the work
- *Above all respect the policy of the corporation to give or not give information*

Developing Past Performance Questions

Situation #1:

- You are recompeting a contract for operations and maintenance support to tracking sites scattered throughout the world. Providing support involves extensive coordination and timely communication. Presently things are going well but, in the past, there have been problems managing multiple labor unions. The only recurring problem the incumbent has experienced is scheduling supplies and people for repair work in the northern most areas of Alaska and Greenland. This is a large contract and experience shows extensive teaming is required to support it. These risks have been considered in developing mission capability subfactors

Points for Discussion:

- ***How would you obtain PPI?***
- ***What are the unique risks/challenges facing a contractor tasked with supporting this operation?***
- ***How do mission capability subfactors relate to past performance questionnaires?***
- ***What kind of questions would elicit past performance information relevant to this requirement.***

Developing Relevant Past Performance Questions – Situation #1

How would you obtain PPI?

- Automated database systems
- Ask offerors for references
- Questionnaires
- Call ACO
- Talk to labor advisor since labor union dealings are a concern
- Contact Site Commanders, Quality Assurance Personnel, Program Managers

Developing Relevant Past Performance Questions – Situation #1

What are the unique risks/challenges facing a contractor tasked with supporting this operation?

- Managing multiple work locations scattered throughout the world
- Effectively dealing with multiple labor unions
- Scheduling to meet lead times for delivery of supplies to polar/artic areas of the world
- Skills in working with subcontractors and/or teaming partners
- Timely worldwide communications

Relevant Questions – Situation #1

- Ask about multiple places of performance
 - Did the contractor manage multiple locations?
 - Where were the locations –worldwide or only in one country?
- Ask about working with labor unions
 - Where personnel performing contract functions unionized? Were multiple unions involved?
 - Describe the working relationship that existed between the contractor and union management. Were there any concerns or problems?
- Ask about lead-time for scheduling supplies and services
 - Our effort requires the contractor to maintain facilities in areas that are very remote and with severe winter weather (Alaska and Greenland). On your contract did the contractor have to plan for any work in remote or geographically challenging areas? If yes, how did the contractor perform on managing advance lead times for supplies and services?
- Ask about working with subcontractors
 - Was the contractor a prime or subcontractor on this effort?
 - Did the contractor manage any subcontractors? If yes, how did they manage the subcontracts

Developing Past Performance Questionnaires

Situation #2:

- Your acquisition is the first time a contract has been developed to provide specialized software engineering sustainment support for a dynamic space-based asset just delivered from AFMC. The mission capability subfactors focus on the following performance demands: ability to translate data from ADA code into Sybase database format; demonstrated ability to reprogram software commands to change trajectory patterns in flight and multi-platform modulation expertise.

- ***Points for Discussion:***
- ***What automated system or sources would you consider first in this situation? Why?***
- ***Do you think you will get the kind of information you need to evaluate past performance for this requirement by using the questions that were developed for a housing maintenance acquisition? Why or why not.***
- ***Where would you look for help in developing the type of questions that will result in obtaining relevant information about an offeror's past performance?***

Relevant Questions

Situation #2

•What automated system or sources would you consider first in this situation? Why?

- CPARS system - since this is an asset coming from AFMC. It is likely offerors proposing on this requirement will have experience with other space-based systems.
- Call the DCMA ACO

Relevant Questions

Situation #2

Do you think you will get the kind of information you need to evaluate past performance for this requirement by using the questions that were developed for a housing maintenance acquisition? Why or why not.

- **AFFARS 5315.305 explains that information collected and used should be recent and relevant, if questionnaires are used they should be tailored to the requirement. There are general questions we would want to ask dealing with overall quality and satisfaction but what will really help us select the best offeror for our effort is to find out how they perform on work as close to our effort as possible.**

Relevant Questions

Situation #2

• Where would you look for help in developing the type of questions that will result in obtaining relevant information about offerors past performance?

- The areas that were identified as risks during acquisition planning
- Those aspects of the requirement that are being evaluated as mission capability subfactors
- Areas where performance has been a problem in the past
- Areas where performance is targeted as incentives or in an award fee plan
- From market information about how other customers of these services (goods) evaluate their offerors

Using the Information Gathered

Information
Gathered from
Questionnaire
s and Other
Sources

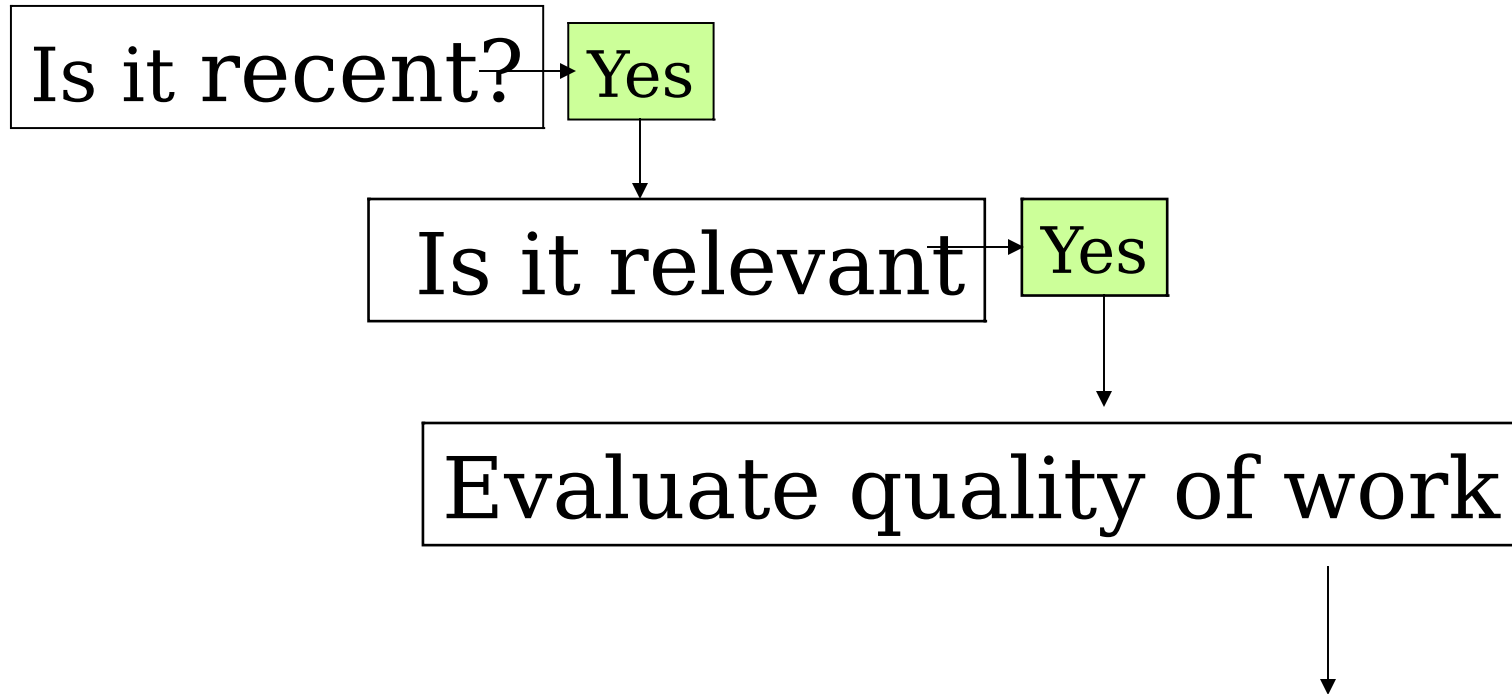


Evaluation
n of
Recency,
Relevanc
y and
Quality

Evaluating Past Performance



Evaluation Steps



*Purpose of Evaluation is to lead to next step in process
assigning confidence rating based on degree
of relevancy and level of quality*

Evaluating Recency

- In the RFP only request PPI from current performance and work completed within last 3 years
 - Can use older info if offeror provides (GAO decision)
- More emphasis on most recent projects
 - Learning curves
 - Continuous improvement
 - Technology
 - Management

Past Performance Recency

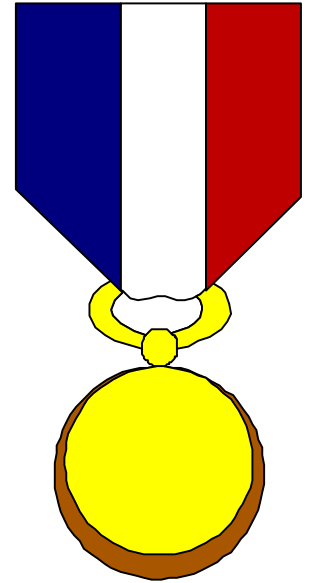
- June 15, 2000 Oregon Iron Works, Inc., GAO Case B-284088.2
 - Addresses agency's consideration of past performance information more than 3 years old
 - FAR 42.1503(e) states past performance information shall not be retained to provide source selection information for longer than 3 years after completion of contract performance
 - This was reiterated in D.F. Zee's Fire Fighter Catering, B-280767.4, Sept. 10, 1999, 99-2 CPD 62
 - In this case offeror provided the information to the government
- **Decision:** Whether an agency can rely on past performance information for contracts that ended more than 3 years ago depends on whether the contractor itself proposed that the agency consider that information

Evaluating Relevancy

- Identify up-front key elements of requirement
 - i.e. grass cutting, sprinkler maintenance, tree trimming
- Consider size and complexity
 - i.e. number and type of aircraft maintained
- Relevancy determinations must relate to the work that offeror or subcontractors will be performing on instant contract
- ★ ★ ★ • Relevancy does not mean the same work but similar work - take the big picture view of relevancy

Evaluating Quality of Performance

- Evaluation based on ratings in questionnaires and other information obtained
- Go beyond the adjectival rating on questionnaire
 - Find out what drove the adjectival rating
 - Consider comments in questionnaire
 - Follow-up calls to respondent



- Elevate as necessary to get information

Evaluating Relevancy

Situation #1

- ***You obtain past performance information from one offeror indicating that for this requirement personnel from their East Coast division will be used. All the relevant contracts provided by the offeror for consideration indicate the past performance points of contact for the company are key personnel that are assigned to their West Coast offices. Any comments?***

Evaluating Relevancy

Situation #1

One offeror for this requirement proposes using personnel from their East Coast division and provides past performance points of contact on key personnel that are assigned to their West Coast offices. Any comments?

- Performance can vary from one division of a company to another. Just because one area has excellent past performance standing, if none of the talent or organizational structure is being applied to your contract, you can not be assured that the same results will be achieved – you might have an overall impression of the company, but the best information will be on the performance of the key players being proposed for your effort.
- This would be something you would want to ask the offeror – they may have other contacts to suggest that would give you a higher level of confidence about the East Coast operation. OR this might lead you to ask additional questions (no rule against asking more questions than what you sent out on the questionnaire) to see if the company as a whole has a reputation for hiring excellent people and managing all their divisions well.

Evaluating Relevancy

Situation #2

- The acquisition you are supporting is for specialized medical assistance for physically handicapped children. Three firms have submitted proposals. You sent out your questionnaires and have responses on all three companies. A short synopsis of the companies follows. As you read the next slide consider the issues of relevancy raised and be prepared to discuss them.

Evaluating Relevancy Situation

#2

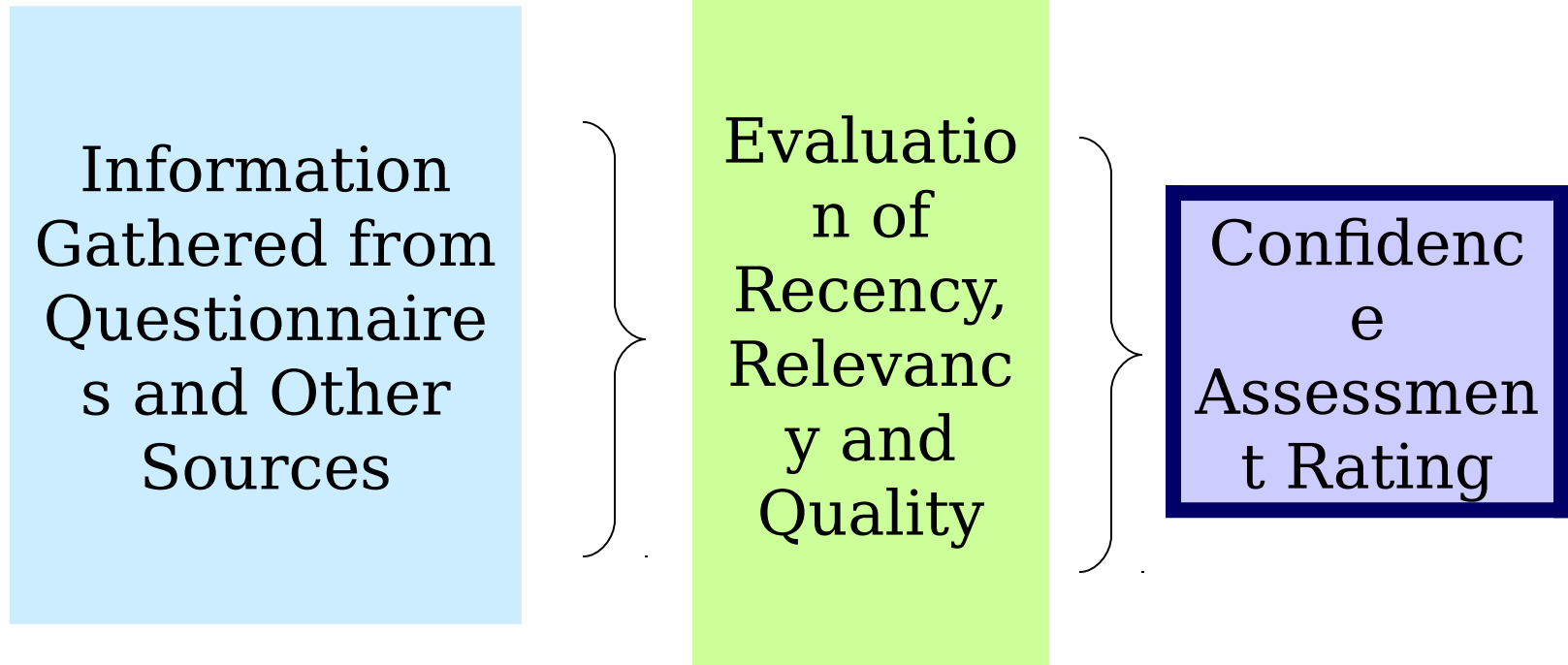
- Company A is a childcare center with 8 months experience. They do not currently care for any handicapped children. However, they propose hiring a specially trained nurse to assist with caring for the children. Her past performance is exceptional. Past performance responses indicate the firm is having some bumps in getting established. None of the managers have worked in the child care area. One supervisor has worked with children before; the other three came from the Greeting Card industry.
- The second company, Company B, has 20 years experience caring for injured animals. They have established a worldwide reputation for excellence in caring for crippled and maimed primates. 3 years ago one of the divisions of the company started caring for aged adults with physical disabilities. 2 years in a row this division has been awarded an excellence in service from the state inspectors. This is the division being proposed for your requirement.
- Company C is a start-up company composed of 5 primary staff members: 2 pediatricians, a physical therapist specializing in rehabilitation of children, a child psychologist and a pre-school teacher. The past performance information you collected indicates this team has over 50 years experience with children. Not one of the questionnaires or surveys conducted indicate any questionable performance issues. In fact, the overwhelming response is that these folks are top-notch performers.63

Evaluating Relevancy Situation

#2

- *Company A – Although the past 8 months indicate some relevant PP experience, there is doubt about their ability to perform well. One of the key concerns is that they have not cared for children who are physically handicapped and there is overall limited experience caring for children. Although the nurse is proposed, how certain is it that she will be hired?*
- *Company B – Good corporate experience as a service provider but... they have never cared for children. They do have experience in dealing with physical disabilities and clearly provide more confidence than Company A. You might want to conduct further market research and talk to the state inspectors about similarities in operations of care for adults and children. Firm has ability to transition from one core competency to another.*
- *Company C – Here is where the relevancy of the key personnel becomes critical. Although the company has no history, it is clear that by evaluating the performance of key personnel on this team you can have high confidence that they can care for handicapped children.*

From Evaluation to Assigning Confidence Rating



Assigning Confidence Ratings

- **Integrated Assessment**

- Recency
- Relevancy
- Quality of Performance

Confidence Rating

Past Performance Confidence Ratings



Exceptional/High Confidence



Very Good/Significant Confidence



Satisfactory/Confidence



Neutral/Unknown Confidence



Marginal/Little Confidence



Unsatisfactory/No Confidence



Past Performance Confidence Assessment Definitions

- **Exceptional/
High Confidence**

Based on the offeror's performance record, essentially no doubt exists that the successful offeror will successfully perform the required effort.

- **Very Good/
Significant
Confidence**

Based on the offeror's performance record, little doubt exists that the offeror will successfully perform the required effort.

Past Performance Confidence Assessment Definitions (cont.)

- **Satisfactory/
Confidence**

Based on the offeror's performance record, some doubt exists that the offeror will successfully perform the required effort.

- **Neutral/
Unknown Confidence**

No performance record identifiable (see FAR 15.305(a)(2)(iii) and (iv)).

Past Performance Confidence Assessment Definitions (cont.)

- **Marginal/Little
Confidence**

Based on the offeror's performance record, substantial doubt exists that the offeror will successfully perform the required effort. Changes to the offeror's existing processes may be necessary in order to achieve contract requirements.

- **Unsatisfactory/
No Confidence**

Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort.

Assigning Confidence Rating

- Subjective determination requires judgment
 - Takes time to do good job
 - Combines aspects of relevancy and quality
 - Focusing on most relevant projects reduces time and enhances quality of assessment

Putting Quality and Relevancy Together

- Read the following condensed rating summary and be prepared to discuss if you think the rating assigned was appropriate.
 - Be prepared to defend your position.
 - Focus on what you know about the requirement, the relevancy of the work evaluated and the quality of the work.

Putting Quality and Relevancy Together

- Mission Capability Subfactor Facility Maintenance. The offeror will maintain base housing and transient lodging facilities. Emergency repairs will be rendered within 3 hours, 24 hours per day, 365 days per year. Emergency repairs relate to instances when residents are denied utility services. Routine repairs will be accomplished within 3 working days from 0800-1700 Monday - Friday (excluding holidays). *(Note: the SOW for this effort does not include any grounds maintenance.)*
-

Question from Past Performance Questionnaire: How well did the contractor maintain facilities they were responsible for under this contract? Describe the type of facilities maintained.

Evaluation

- Offeror #4 The offeror has received high ratings from all his customers in his past efforts. All his prior work was in the area of ground maintenance. There were also three efforts identified for which the offeror was a golf course grounds subcontractor. All these efforts were given high marks. The total contract value of the work rated was less than one quarter the estimated value of this effort.
- Performance Confidence Rating: Marginal/Little Confidence

Putting Quality and Relevancy Together

Facility Maintenance: Is the past experience of the offeror's work in the area of ground maintenance relevant to facility maintenance?

- Depends upon how relevancy is defined
- Could make a case for neutral rating because grounds maintenance and facility maintenance are not the same thing
- Could also argue that experience in managing workers doing grounds maintenance is similar to what is needed to manage workers providing facility maintenance services
- Technical personnel will need to assist in understanding if support of grounds maintenance is relevant to performing facility maintenance

Putting Quality and Relevancy Together

Would a the rating of marginal be appropriate if the work was determined to be relevant?

- *No, the offeror demonstrates good past performance. Reading the definitions you will see that the ratings above neutral reflect positive past performance; neutral is neither positive or negative and below neutral indicates a negative performance record*

Would the rating of marginal be appropriate if the work was determined to be non-relevant?

- *No, a marginal rating indicates poor past performance which in fact makes a statement about relevancy. When a determination of non-relevancy is made, the only appropriate confidence rating is neutral*

Putting Quality and Relevancy Together

- *What additional efforts could be taken to obtain past performance information in this case?*

FAR 15.305(a)(2)(iii) states that evaluation should take into account past performance information that relates to “predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement when such information is relevant to the instant acquisition.”

A Note on Neutral Ratings

- Rate neutral for NO relevant past performance experience
- Should be rare since past performance includes considering:
 - Key personnel
 - Subcontractors
 - Former company
- Neutral ***does not*** mean negative

Evaluation Worksheet

Prime Contractor: ABC Company

Contractor being Evaluated XYZ Sub Prime Sub X

Work this contractor will perform on contract: Maintain Fleet of 20 Military Turbo Prop Airplanes

Project	Recency	Relevancy	Quality	Overall Rating
Vic Airfield	Completed 7/00	Turbo-props 2 aircraft in fleet	3 VG, 1 Sat "customer oriented"	
Air Force Academy	Completed 7/98	Single engine, General avation 15 Aircraft in fleet	4 Excptnl Quick turn- around. Thorough documentation "	
	All within 3 years, worst performance 3 years ago	Limited turbo- prop experience Some Large fleet exper.	Mostly Exptn' and VG on recent projects. Sats improved	Little doubt off eror can perform

Pause for Review

- Past performance is more than responsibility determination!
- Must consider recency – more recent performance should carry more weight
- Must consider relevancy – it is essential that questions in the questionnaires relate to the mission capability subfactors and risk drivers for the acquisition
- Evaluation of quality of work comes after assessing recency and relevancy

Asking Questions about Past Performance Information

- Discussion or Clarifications?
- Adverse Information
- Subcontractor Information
- Evaluation Pitfalls



Discussion or Clarifications?

- Questions about past performance considered clarifications (can ask past performance questions and still award without discussions)

GAO Decision

»BE Inc., PAI Corp., GAO, B-277978, 12/16/97

- Department of Energy used oral presentations to evaluate past performance and asked questions about past performance information alone and awarded contract
- Both of the unsuccessful offerors protested
- GAO ruled questions regarding past performance constituted clarifications only and did not fit the FAR 15.601 definition of discussions

How Much Do You Have to Ask

- You must fully converse with the offeror on issues of past performance unless they have had a prior opportunity to respond

GAO Decision

Rohmann Services, Inc., B-280154.2, Nov. 16, 1998

In this case vastly different past performance assessments were received for work on a government installation and other efforts done by the offeror. The discussion highlights the importance of supporting past performance ratings, advising contractors of adverse performance and the need to resolve conflicting information.

Evaluating Adverse Past Performance

- Source Selection teams MAY NOT use adverse past performance information on which the offeror has not had an opportunity to comment
 - FAR 15.306(a)(2), 15.306(b)(4)
 - If the offeror has previously commented (such as CPARS) no requirement to provide additional information
- Government must disclose adverse past performance information to offerors, including identity of contract on which the information is based, but shall not disclose name of individuals who provided information

Evaluating Adverse Past Performance (cont'd)

- What constitutes “adverse” past performance?
 - DoD Guide states adverse is:
 - “Usually” any rating below “Satisfactory” although this is a judgment call based on circumstances of the acquisition
 - Industry perspective: any rating below “Exceptional”
- How do you know when to discuss?
 - Best interest to discuss even if above satisfactory
 - When information leads to assignment of lower confidence rating
 - When adverse information is provided by only one respondent
 - When there is doubt about the validity of the comments

Dealing with Subcontractor Past Performance Information

- Past Performance information is proprietary
- The prime is responsible for the proposal and its contents which includes information submitted by subcontractors
- Advise the prime in general terms if there is a concern in the area of past performance
 - Prime may already have waiver from sub to discuss information (many include this) directly with government
 - Discussion directly with subcontractor also option
- Bottom line – protect information but you can't overlook prime's interest

Evaluation Pitfalls to Avoid

- The default for evaluators unfamiliar with an area being assessed (especially when rating “unknown” is not an option) is to either gravitate to middle range or assign ratings that are the same as the areas with which they are familiar
- Don't expend effort to evaluate quality of work until you have determined it is recent and relevant

Evaluation Pitfalls to Avoid

(cont'd)

- Questionnaires are just a starting point
 - Ratings circled on a form provide information about quality of work but do little to answer the question “is the work relevant”
 - The same survey on the same effort completed by two different people could be very different -- one person’s very good is another person’s excellent
 - recognize and reconcile differences
 - Ask questions until you understand what drove the ratings given

Evaluation Pitfalls to Avoid

(cont'd)

- Don't fail to evaluate relevant information we are aware of - don't neglect local work effort!

COFC Decision

Seattle Security Services Inc. v. United States, Fed. Cl. No 99-139C

GSA solicitation for guard services in Oregon and Washington.

- Protestor was incumbent for guard services in Oregon
- CO did not evaluate performance of offeror in Oregon (which was more relevant to requirement)
- Court confirmed that agency personnel have wide discretion and do not need to check all references and can give more weight to one contract rather than another based on relevancy. However, in this case court concluded CO acted unreasonably in failing to combine performance on Washington and Oregon contracts and that this information "...was simply too relevant and close at hand to ignore."

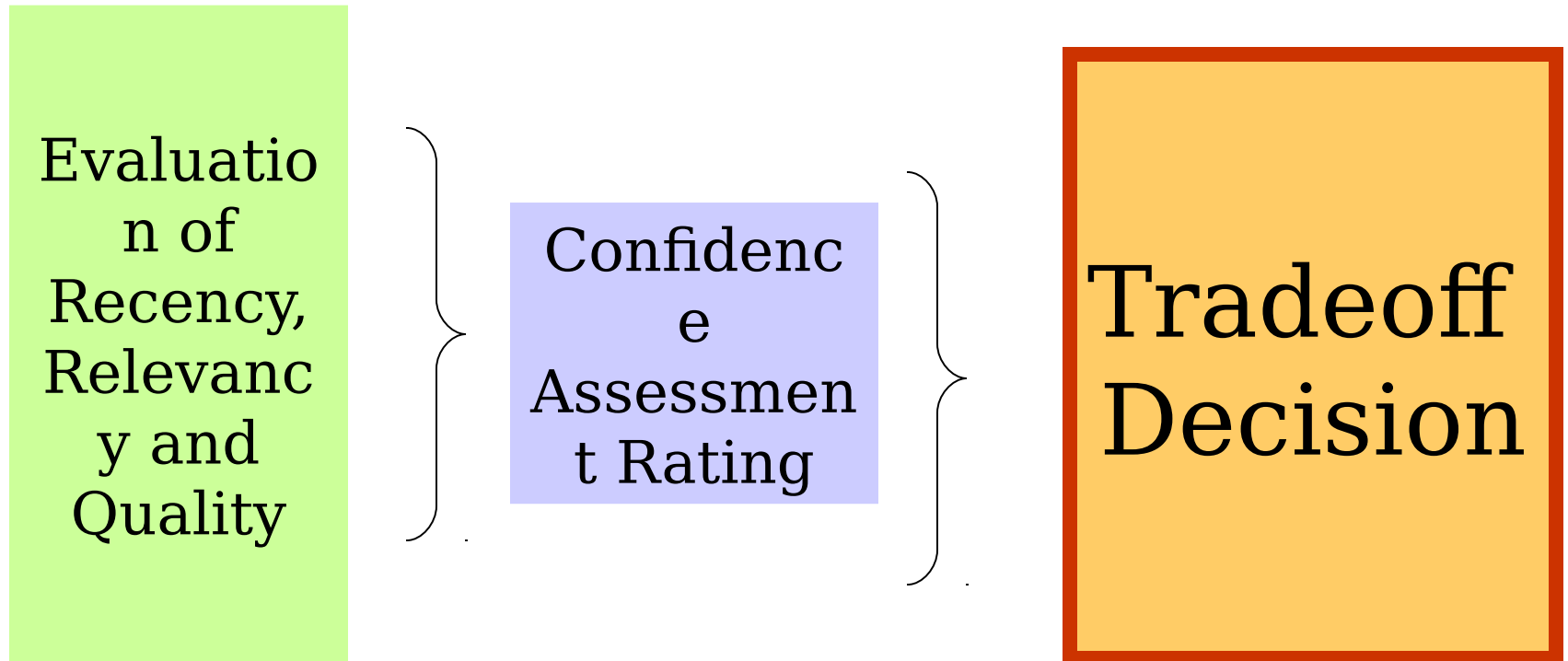
Evaluation Pitfalls to Avoid (cont'd)

- Contract descriptions (especially on contracts spanning multiple functional areas) may not encompass all the type of work performed on the contract
 - Ask offeror if you question relevancy of project
- You will not find another project identical to your effort - relevant does not mean the same

Pause for Review

- *Remember when evaluating past performance to make confidence assessment, it is the **relevancy** of the work that determines the correlation between the qualitative comments or ratings given and the confidence assessment rating assigned. Excellent quality in non-relevant work will not equate to assessment of exceptional/high confidence rating.*

The Tradeoff Decision



Tradeoff

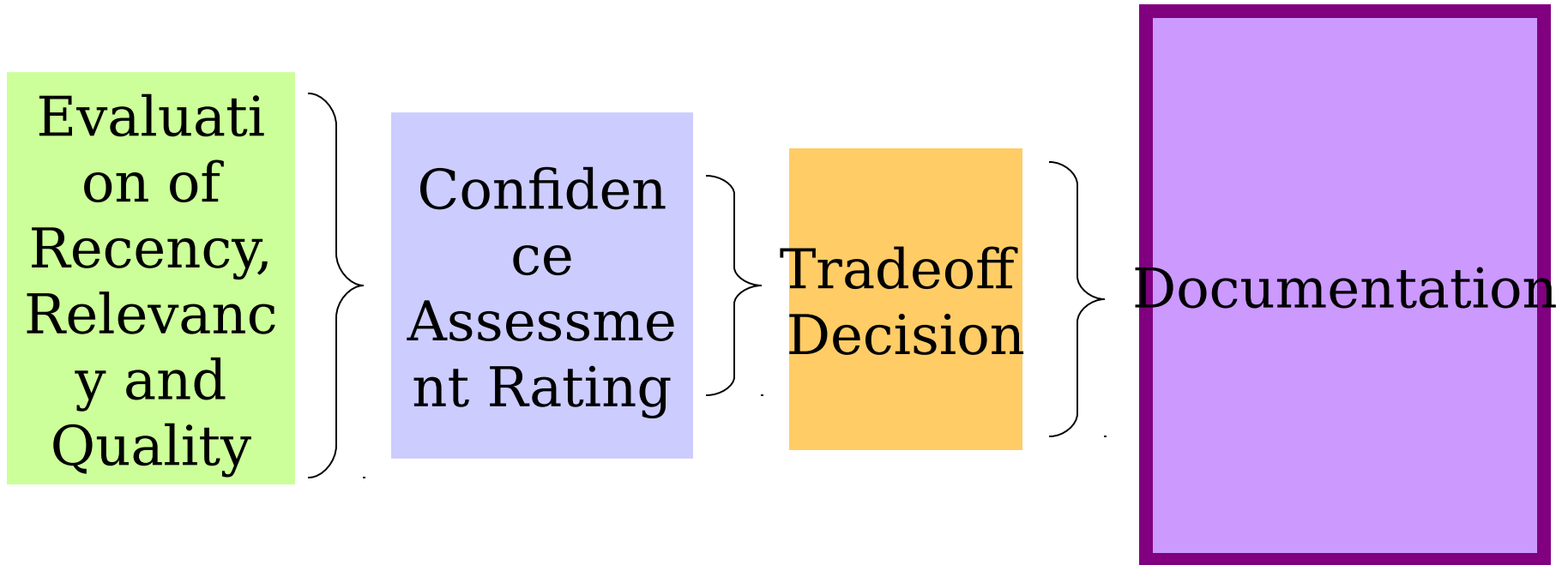
- Comparison of Proposals
- Consider potential price-performance tradeoff of all offerors with more highly rated past performance than lowest priced offeror
- Determine value to Air Force of awarding to offeror with better past performance at higher cost

Comparing Proposals – the Tradeoff Decision

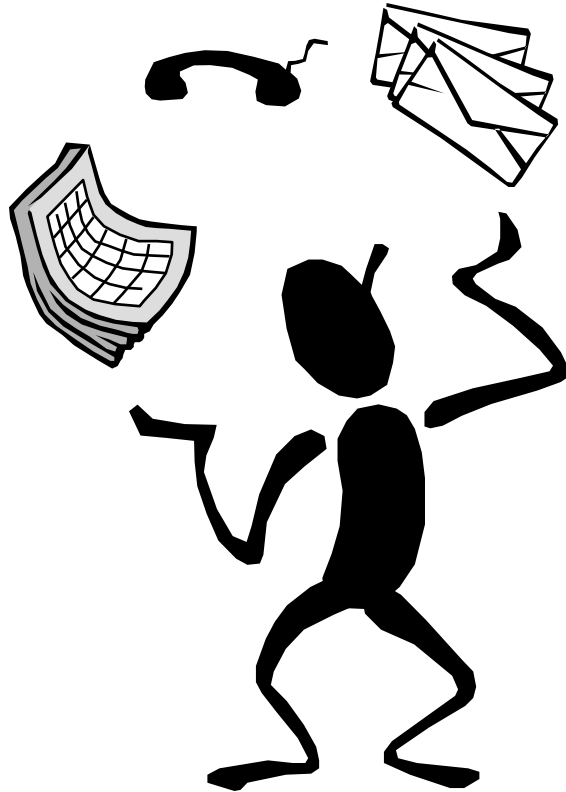
Offeror A	Offeror B	Offeror C	Offeror D
Confidence	Significant Confidence	High Confidence	Confidence

- Offerors with other than lowest price have better past performance
- Compare value of better past performance to extra cost for both Offerors B (significant confidence) and C (high confidence)
 - Consider benefit to AF

The Final Step - Documentation



Documentation



What to Document

Document the thought process used to arrive at:

- Individual assessments of confidence for each offeror
 - Address recency, relevancy and quality
- Tradeoff Decision
 - Why a tradeoff was made or not made
 - Explain fully determination of best value decision that was made

Documentation hints

- Address not only all elements (recency, relevancy and quality) considered in assigning confidence rating but sources used
- Explain clearly relevance of past performance to *instant* acquisition in terms of contract type, size of contract, complexity, scope of work



Documentation hints (cont 'd)

- Address performance problems or exceptional performance
 - How did the performance impact the confidence rating assigned?
 - Describe evaluation of adverse information
 - Address disposition of non-relevant information
- Address use of subcontractors, teaming partners and key personnel and their past performance
- Ensure ratings are applied consistently when evaluating different offerors

Documenting Past Performance – Key Questions to Ask

- Have the more relevant past performance assessments contributed more to the overall rating than those that were less relevant? Does the final rating and documentation convey this?
- Have the more recent past performance assessments contributed more to the overall rating than those that were less recent? Does the final rating and documentation convey this?
- If there were any adverse past performance issues, have they been discussed with the offeror? Have you documented the resolution of any discussions about adverse past performance and the impact of the adverse information on the overall confidence rating?

Documenting Past Performance – Key Questions to Ask

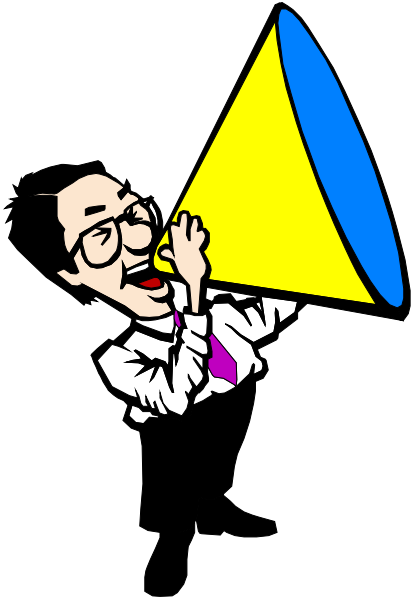
- If any past performance information was discounted from evaluation because it was found to be non-relevant, was the rationale for this determination addressed?
- If subcontractors are proposed, is the proposed scope of effort (both amount of work and type of work) for the prime and subcontractors addressed?
- Does the overall rating tie the relevancy and recency of the past performance information to the scope of the proposed effort for the prime and subs?

Documenting Past Performance – Key Questions to Ask

- For offerors with the same final confidence ratings, does the documentation convey consistency of evaluation?
- Are the confidence assessment ratings assigned and the documentation used to support the rating consistent with the definitions listed in AFFARS 5315?

Debriefing Past Performance

- Offerors on two different proposals may be rated differently in the area of past performance even though the same past performance information is used - why?
 - Two teams may evaluate differently even for the same acquisition –
 - Key is consistency between evaluation of different offerors
 - Tradeoff decision made as a comparison between consistent ratings
- Relevancy plus quality yield confidence rating not quality alone
- Documentation of rationale and all considerations is critical



Conclusion

- Remember past performance is evaluation of our confidence the offeror can perform our requirement
- Confidence rating is based on an Integrated Assessment of Recency, Relevancy, and Quality

Tools

HQ AFSPC/LGCP Developed Tools

- Questions to Ask to ensure evaluation was done correctly and thoroughly documented
- Sample past performance evaluation
- Evaluation worksheets
- Briefing Slides
- ★ ★ ★ • Early upfront involvement of HQ AFSPC/LGC

Internet Sites for Additional Information

- **DoD Guide to Collection and Use of Past Performance Information**

<http://www.acq.osd.mil/ar/doc/ppiguide.pdf>

- **OFPP Guide to Collection and Use of Past Performance**

<http://www.arnet.gov/Library/OFFP/BestPractices/pastperformguide.html>



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Exercises

Exercises

Taking the Average: Operation and Maintenance of Weather Satellite

- For this exercise you are an advisor to a source selection team that needs help. The team was in a rush and decided to save time and just tabulated past performance information. They took the average of results and made a determination of the best offeror.
- Using the chart provided to you (handout) and the information on the next slide explain the pitfalls of “taking the average” of past performance results

Exercise: O&M of Weather Satellite

- Source Selection to obtain O&M services for a weather satellite for Far Flung Base. 70% of the effort consists of the satellite O&M.
- Contract will require the selected offeror to maintain a special test module which requires knowledge of dealing with isotopes. This sensitive module involves significant amounts of classified material transmitted over a classified network. The satellite contractor will not be maintaining the network; they will only be accountable for understanding computer security and assurance as it relates to the correct transmission and processing of classified electronic message traffic. 10% is associated with maintenance of the test module and the data transmission and processing requirements Although only 10% of effort, the highest risk to performance is associated with the special test module
- Other significant effort includes maintenance of a publication and technical library for all unclassified aspects of the satellite. 20% of the effort is associated with publication and technical library.

SCALE:			
5 Exceptional			
4 Very Good			
3 Satisfactory			
2 Marginal			
1 Unsatisfactory			
	Atlas Labs	Beta Test Group	Consolidated
Question #	average	average	average
	for quest.	for quest.	for quest.
1. Performance in use of isotopes in support of satellite operation testing	1.2	4.8	4.5
2. Management of classified information	1.3	4.5	4.5
3. Performance in the area of computer assurance and security	1.2	4.7	4
4. Management of Publication and/or Technical Library for currency	5	3	0
5. Contract administration functions	5	3	3.7
6. Contractor's use of Small Disadvantaged Business entities in support of contract performance	5	0	3.6
7. Degree to which contractor maintained the required technical skills required for contract performance	5	3.5	3.8
8. Management of Subcontractors	5	3.5	3.8
9. Ability to effectively control costs	5	3	4.2
10. Business Relations with customers and process owners	5	4	2
	3.87	3.4	110 3.41

Discussion Points

- Average resulted in offeror with poorest performance in highest risk area getting highest average rating
- Average does not distinguish past performance of subs and prime as it relates to work they will accomplish
- More relevant projects are not given more weight
- More recent projects are not given more weight
- Ratings fail to explain basis for low ratings
- “O” rating for Beta in SDB should raise questions:
 - Does the “0” indicate they never managed a SDB? Is “0” being used to indicate “non-applicable”? Is it appropriate for a non-applicable area to lower the overall rating?
 - If Beta was a SDB, how would a rater indicate that? Could “0” rating actually indicate Beta is an SDB?

Group Exercises

- You will now be given two exercises to work together in a group forum
 - The first exercise will challenge you to determine if past performance evaluation documentation presents consistency in evaluation of offerors
 - The second exercise allows you to take information from the O&M Weather Satellite Acquisition, do your own evaluation and documentation.

Consistency Scenario

Network Operations
handout

Consistency Scenario

Do you think the supporting information given for the ratings mesh with the definitions in FAR 5315?

- ***Offeror #1***
- Rating does not discuss quality of performance.
- Did evaluators conduct a reasonable search for relevant experience to include key personnel, predecessor companies and subcontractors?
- The rating is flawed and without more information a supportable rating can not be rendered
- **Offeror #3**
- Rationale for satisfactory rating does not flow based on relevancy and quality of performance

Consistency Scenario

Do you think the supporting information given for the ratings mesh with the definitions in FAR 5315?

- ***Offeror #4***
- Little detail provided
- Doesn't address relevancy outside of magnitude
- Don't know what the quality (satisfactory/good) was attributed to in the evaluation of past performance
- **Offeror #6**
- Both have experience in all areas
- Satisfactory ratings are not supported since quality ranges from very good to exceptional for both prime and sub on relevant work

Consistency Scenario

(cont'd)

Are the evaluations given to the offerors consistent? (Do they seem to fairly treat all offerors in a similar manner?) Can you read into the summaries any elements that impacted the ratings other than the performance records?

- The evaluations are not consistent
- Offeror #3 and Offeror #6 Even though the performance records are similar and the relevancy of the work mirrors the requirement, the offerors were given significantly different ratings
- There appears to be a bias towards Offeror #6 because each party has done all the effort versus Offeror #3 where the effort is being divided between the prime and sub for Novell and NT based networks

Weather Satellite Operations and Maintenance Exercise

- **Tools to Use for Exercise:**
- Background Paper: Weather Satellite O&M service
- Attachment B1: Questionnaire (Adjectival)
- Attachment B2: Additional Information about the offerors from their proposals
- Attachment B3: Synopsis of ratings and comments from questionnaires (B3A *Atlas*, B3A.1 *TechSup*, B3A.2 *New Guy*)
- Attachment B4: Template to Write Past Performance Analysis

Weather Satellite Operations and Maintenance Exercise

Instructions:

Using the information provided you are tasked to assess performance confidence for the Atlas company. As you go through the evaluation process you should make note of any concerns that you have about the information available to you. Think about the kind of follow-up you would conduct if this was what you were given to work with. Be ready to discuss the concerns and questions you identify with the larger workgroup.

Weather Satellite Operations and Maintenance Exercise - Summary

- ∀ • Without further discussion you would not be able to make an informed confidence assessment for this acquisition
- ∀ • Need to consider entire contractor team and the proposed work they are going to accomplish on the contract when determining relevancy
- ∀ • Even when the ratings are high, without words the evaluation is not as meaningful
- ∀ • Quality of responses depends upon not only quality of work but knowledge and skill of respondents
- ∀ • Questionnaires alone are not enough -- other sources of information should be used to obtain information

Weather Satellite Operations and Maintenance Exercise - Summary (cont'd)

- Projects exactly like your effort probably will not be found – similar does not mean identical
- When respondents don't know about an area they may just put in "S"
- When highly relevant contracts are evaluated and you understand basis for ratings (New Guy) you don't need to evaluate very many projects
- More recent work should be considered more heavily than less recent effort
- Not all the questions on the questionnaire weighed as heavily in making confidence assessment